CHUCK GRASSLEY

RANKING MEMBER • SENATE COMMITTEE ON FINANCE

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MEMORANDUM

To: Reporters and Editors Fr: Jill Gerber, 202/224-6522

Re: Welfare, Medicaid, and S-CHIP

Da: Thursday, Nov. 7, 2002

Sen. Chuck Grassley, ranking member of the Committee on Finance, today made the following comment on his intentions for welfare, Medicaid, and the State Children's Health Insurance Program when he resumes the committee chairmanship.

"After six years, the welfare reform act expired Sept. 30, 2002. The Senate's Democratic leadership didn't take up the issue. As a result, our nation's safety net program is outdated in some cases. It needs maintenance and improvements, just like any major program that impacts so many people. For example, work requirements have become very low because of the formula for caseload reduction. Many people agree the work requirements need strengthening because work helps put welfare recipients on the road to self-sufficiency.

"Additionally, there are a number of important Medicaid and S-CHIP issues that will need to be addressed next year. Given state budget shortfalls, it'll be necessary to look at how Medicaid funding issues affect the health care coverage of low-income children, families, disabled individuals and older Americans. More specifically in S-CHIP, I plan to address two issues. First, I plan to clarify that S-CHIP funds are meant to insure children, not childless adults. Second, I hope to set a redistribution formula for the program's unspent funds that properly addresses the needs of children while taking into account the fiscal pressure on state budgets. I also expect that states will continue their current efforts to secure a greater federal share of Medicaid funding from Congress. I hope to hear and develop creative ideas for addressing that issue."